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SIPDIS

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TAGS: EAID PREL I2 IC
SUBJECT: ICELAND: ADDITIONAL IRAQ ASSISTANCE NOT
CURRENTLY ON THE TABLE

REF: (A) STATE 44648, (B) REYKJAVIK 69

¶1. (SBU) Post briefed Icelandic MFA Head of Security and Disarmament Division Thordur Bjarni Gudjonsson March 23 on the President's budget requests for Iraq (ref A). Asked the current Icelandic thinking on additional assistance for Iraqi reconstruction, Gudjonsson referenced Reykjavik's recent donation to the NATO Training Mission-Iraq (ref B) and said nothing further was planned at present. Referring to the U.S. decision announced this month to draw down Naval Air Station Keflavik (NASKEF) he added, "After the last blow we have use for all the spare cash we can find."

¶2. (SBU) Comment: The Government of Iceland has long argued that the U.S. should view its contributions (e.g. of airlift, peacekeepers, and cash) to NATO operations as counterbalancing Icelandic unwillingness to contribute to the costs of its own defense, e.g. by contributing to the NASKEF budget. We will be watching to see whether the Government now adopts a systematic policy of declining to participate in international endeavors on the grounds that the U.S. has undercut Iceland's ability to act generously. In light of its bid to join the 2009-10 UN Security Council, we predict any reluctance to be an international player will be short-lived. End comment.

VAN VOORST